

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6787

BILL NUMBER: SB 205

NOTE PREPARED: Dec 28, 2006

BILL AMENDED:

SUBJECT: Environmental Permits.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a person must apply for a new permit and meet the requirements of all applicable environmental laws existing at the time the new permit is sought if the person (1) fails to act under an environmental construction or operating permit before the statutory deadline; or (2) applies for renewal of a permit. The bill allows the commissioner of the Department of Environmental Management (IDEM) to revoke or modify a permit if a person fails to act under an environmental construction or operating permit before the statutory deadline.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The proposal is expected to have minimal impact on IDEM. The cost of modifying or renewing a permit is not significantly different than the cost of applying for a new permit to the regulated community. The staff time is approximately the same for situations where the original facility was not constructed. Only 2-3 situations have occurred in recent years where the facility was not constructed within 5 years, but continued to renew the permit.

Background: Regulations for major air permits and modifications allow 18 months for construction (326 IAC 2-2-8(a)(1)). Minor air permits may be revoked after 18 months, but expire at 5 years (326 IAC 2-1.1-9). Storm water permits are good for 5 years (327 IAC 15-5-12; 15-6-10; 15-13-19). Waste water permits expire after 1 year if construction has not begun (327 IAC 3-2-3(a)). Five years are allowed for the completion of construction of confined feeding operations (CAFOs/CFOs). However, construction must begin within 2 years and be completed within 4 years of the permit. Permit fees are deposited in dedicated funds used by IDEM to finance oversight of the operations or facilities.

Explanation of State Revenues: See *Explanation of State Expenditures* above.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDEM.

Local Agencies Affected:

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